

## Recent Macro Economic Indicators of Nepal

The central bank published annual macro-economic data for the year of 2019/20. The report covers major details on inflation, trade, services, remittance, BOP position, foreign exchange reserves, fiscal deficit, surplus, expenditure, revenue, money supply, deposit, credit liquidity, interest rates and capital market. However, the statistics point out the rising liabilities and declining assets of the economy.

Some of the major highlights from the reports are:

**Inflation:** Inflation remained at 6.21% in the review month compared to 4.68% of the same period last year.

**Import and export:** Imports of the nation decreased 10.3% amounting to Rs 334.95 billion, which had increased by 43.6% last year. On the other hand, the export has risen by 14.4% amounting to Rs 27.17 billion. As a result, trade deficit narrowed to 12% worth 307.78 billion in 2019/20.

**Services:** Net service deficit remained at Rs 6.27 billion compared to the deficit of Rs 19.81 billion in the same period, last year. For the first three months of this year, travel payments worth Rs 21.21 billion has gone out of Nepal, out of which Rs 10.24 billion is for education.

This shows an increasing trend of brain-drain and skilled Human capital outflow.

**Remittance:** Remittance decreased 4.9% amounting to Rs 230.24 billion. Remittance had increased by 37.3% in the same period of the previous year.

**Current account:** It posted a deficit of Rs.27.18 billion in the review period against the deficit of Rs. 81.74 billion in the same period of the previous year.

**BOP position:** The overall BOP remained at a surplus of Rs. 14.43 billion in the review period compared to a deficit of Rs. 35.42 billion in the same period of the previous year.

**FDI inflows:** Nepal received FDI worth of Rs 4 billion which was Rs.1.54 billion last year in the same period.

**Exchange rate:** Nepalese currency vis-à-vis US dollar depreciated 4.1% against 6.7% depreciation of last year in mid-October.

**Government expenditure:** The government expenditure stood at Rs 172.33 billion in the three months of 2019/20, which was Rs 172.33 billion in the corresponding period of last year. Since all transactions are done via bank, these figures are based on the banking transactions.

**Government revenue:** It increased to Rs. 211.2 billion which was Rs. 200.32 billion in the corresponding period previous year.

**Fiscal Deficit/Surplus:** In the first three months of 2019/20, the fiscal position remained at a surplus of Rs 46.38 billion compared to a surplus of Rs 32.83 billion.

## **Banking:**

-Deposit collection: Deposits at BFIs increased by 3 percent in the review period compared to a increase of 2.4 percent in the corresponding period previous year.

-Credit distribution: Credit to the private sector from BFIs increased 4.3 percent in the review period compared to a growth of 7.2 percent in the corresponding period of the previous year.

-Liquidity management: In the review period, NRB mopped up Rs.30 billion liquidity through open market operations. Rs.95.35 billion liquidity was mopped up in the corresponding period of previous year.

-Interbank transactions: The inter-bank transactions among commercial banks stood at Rs. 583.31 billion and among other financial institutions (excluding transactions among commercial banks) amounted to Rs. 43.88 billion.

-Interest rates: The weighted average 91-day Treasury bills rate decreased to 4.33 percent from 1.77 percent a year ago. The weighted average inter-bank transaction rate among commercial banks, which was 1.86 percent a year ago, increased to 4.62 percent in the review period.

Source:

<https://www.sharesansar.com/newsdetail/three-months-marco-economics-data-has-been-published-inflation-at-621-imports-worth-rs-33495-billion-and-exportes-worth-rs-2717-billion>